



Spitzer Promotes Clean Energy, Minus Ethanol

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Early last year, then NY Governor Pataki (R) who had presidential ambitions at the time, [touted ethanol as part of his sustainable energy plan](#) for NY State. Since then much of the world has seen as corn ethanol has major sustainability problems of its own. That's not to say that biofuels or even some types of [ethanol](#) might not play a role, but it just shouldn't be the centerpiece of a sustainable energy plan.

And it seems that NY's new Governor Spitzer (D), an [openly peak oil aware governor](#) has [figured this out](#) too. See a PDF of Spitzer's full speech [here](#).

From this [NY Sun](#) in the build-up before Thursday's speech:

When Governor Spitzer today unveils the details of his clean-energy initiative, he will announce multimillion-dollar state investments in wind and solar power, plans for a new fleet of power plants that emit less carbon dioxide, and a variety of conservation goals.

Absent from the first major energy speech of his administration will be any discussion of ethanol, a notable policy departure from his predecessor, Governor Pataki, who touted the alternative fuel as the wave of a greener future and aggressively tried to encourage its production and use.

"He's not talking about ethanol at all tomorrow," Mr. Spitzer's top environmental adviser, Judith Enck, said in an interview yesterday. "So that should speak volumes."

New York's shift in energy policy is the latest in a series of setbacks for ethanol, which some have hailed as a cleaner alternative to gasoline that could help free America from its dependence on foreign oil.

The Spitzer administration is turning away from corn ethanol at a time when evidence is building that calls into question the wisdom of state policies and subsidies in support of ethanol.

"The governor is not closing the door on corn ethanol," Ms. Enck said. "We're just not enthusiastically boosting it as the previous administration has. We have concerns that corn ethanol is not as energy efficient as other sources, and there are also air quality concerns."

Glad to see that reason is driving policy instead of crass politics. So what's his alternative plan?

More Conservation and Renewables. Here's the Coverage from [NY1](#)

Just in time for Earth Day, Governor Eliot Spitzer shared a new plan for conserving energy today.

Dubbing the plan "15 by 15," the governor proposed reducing the state's demand for power by 15 percent by the year 2015. The governor's plan focuses on efficiency, conservation, and investment in renewable energy sources.

"The result will be lower energy bills, a cleaner environment that addresses climate change and thousands of new jobs fueled by a new industry born from clean energy," said Spitzer.

Part of the plan includes building cleaner, more efficient power plants, which the governor says could eventually lead to the closure of the controversial nuclear power plant at Indian Point.

IN one of my favorite parts of [his speech](#), Spitzer rejects skepticism from the highest levels of the current Federal Administration on the power of conservation efforts:

I will admit that the Vice President's skepticism about the benefits of efficiency may have made sense in 1970, when most people believed energy efficiency meant nothing more than wearing more sweaters in the winter.

But technology has marched on and, in the intervening years, the marginal cost of energy efficiency has plummeted while the marginal cost of energy generation has shot up.

In terms of dollars and cents, it now costs one-third as much to save a given amount of energy through efficiency programs as it does to produce the same amount of energy by building a new power plant. The fact is that energy efficiency now makes economic sense.

This is the logic that the Vice President misses – the simple idea that the cheapest and cleanest power plant in the world is the one you never have to build.

Take that Cheney!

Moving on, another part of the plan is providing greater incentives for utilities to encourage or at least not oppose conservation efforts:

Revenue Decoupling

First, we must eliminate a perverse incentive in the marketplace that discourages utilities from conserving energy. The problem is that we want utilities to encourage their customers to conserve – but right now, when their customers conserve energy, the utility loses money. Obviously, this incentive structure is upside down if our goal is to increase energy efficiency.

Other states have done this. It works. Now, let's implement it.

He also is making a relatively large investment in renewable sources of power that will come online in 2008:

NYSERDA and the PSC will announce the approval of 21 contract awards for clean, renewable power plants in New York. These contract awards total approximately \$295 million and will attract private investment of approximately \$1.4 billion – all of it Upstate. Best of all, in terms of immediate returns on economic development and energy bills, construction of all these facilities is expected to be completed as soon as 2008.

And in the end, he ties all of this to not just rising prices for power or environmental concerns, but that the real output of all these efforts will be more JOBS, especially in the economically depressed Upstate regions:

Think of all the high-paying jobs that will be needed to retrofit power plants, homes and office buildings so they can be more efficient; the jobs that will be needed to develop innovative efficiency and clean energy technologies; or the jobs that will be needed to manufacture the products at the scale that will be necessary to reach our goals.

Not to mention that lower energy bills will allow New York's businesses to spend less on energy and more on innovation – helping us both to retain the jobs we've got and attract new ones.

Experience confirms this. NYSERDA has determined that current efficiency programs create or retain an average of 1.5 jobs per year per gigawatt-hour saved. These figures correlate with findings in other states. Given that our 15 by 15 initiative will save 27,300 gigawatt-hours by 2015, NYSERDA estimates that our strategy could create or retain 41,000 jobs in New York State. To give you a sense of the potential impact, that's about the same number of unemployed people in Buffalo and Rochester combined.

It's a simple equation that's worth repeating:

Conservation + More Renewables = JOBS

That's a great formula for practical politicians that want to tackle global warming, peak oil and economic development together.

Stay tuned for Mayor Bloomberg's sustainability speech planned for Earth Day. I hope to hear a similar formula.



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